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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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## ASSESSMENT OF THE IRANIAN SITUATION

The failure of the attempt to remove Prime Minister Mossadeq and to replace him with retired General Zahedi leaves Mossadeq in a strengthened position, discourages and weakens his divided opposition, and will probably result in an attempt to abolish the monarchy. It will make Mossadeq more suspicious of his associates as well as of the Western powers and may make him more arbitrary and difficult to deal with as the internal situation continues to deteriorate.

Mossadeq, who apparently received advance notice of the intended action, now has military control and is in a position to exploit the situation thoroughly. The Tudeh party has already demonstrated in his behalf and he can generate considerable popular sympathy by presenting this latest maneuver against him as a foreign-inspired plot against the Iranian people. These circumstances may help Mossadeq secure the election of a more amenable

The prime minister publicly announced on 16 August that new elections would be set after he had amended the electoral law. In view of his success in controlling the recent referendum on the abolition of the present Majlis he may also be successful in controlling the election of new Majlis deputies. It had been assumed in recent days that Mossadeq would have great difficulty in doing this since the conservatives largely control the countryside and the Tudeh might elect some of its own representatives and give the prime minister only limited

The failure of the maneuver executed by Colonel Nasari of the imperial guards, the arrest of other opponents of the prime minister and the suggestion of more drastic action will have widespread repercussions among the various groups and individuals who would like to remove Mossadeq.

Mullah Kashani, although a bitter opponent of the prime minister, tends to withdraw quickly whenever Mossadeq is in the ascendancy. The small opposition groups of the now dismissed Majlis likewise lack courage. The disgruntled army officers are not in a position to act as long as the chief

of staff and the chain of command remain in Mossadeq's control. -<del>6//</del>---No Change In Class. Declars Red Approved For Release 2003/05/28: CIA-RDP91961 172R000200330001-8 0 Autha Hi 70-2

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At this point there appears to be no other group or combination which is ready to try to act against the prime minister or which, if it did act, could anticipate success.

The involvement of the shah, who signed two decrees to remove Mossadeq and to appoint General Zahedi as the next prime minister, poses a serious threat to the monarchy. The shah's flight to Baghdad and the involvement of the commander of the imperial guard are an open invitation to Mossadeq to take action against the monarchy. The prime minister has long wished to remove all power from the shah and on occasion has given indications of a desire to remove him. Mossadeq accordingly will probably take steps to remove the shah, thus promoting the abolition of the monarchy as an institution.

The prime minister, who has long been fearful of assassination, may now be expected to act more ruthlessly in maintaining himself. He has long been convinced that the British are plotting his removal. The leftist press in Tehran has begun a campaign accusing the United States of implication in the present maneuver. Mossadeq may come to view America and Britain as joint conspirators.

The prime minister, however, has consistently hoped for American aid and accordingly has not broken with the United States. His past policy may accordingly be continued. He may be expected to break with the United States if he is convinced that he can get nothing or if he is in need of a new whipping boy in order to generate more popular support. The American military missions would be obvious targets for the prime minister to attack.

The Tudeh has already come out against the shah and is charging American involvement. It may be expected to give full support to Mossadeq in his drive to remove or weaken the shah.

Under these conditions the economic and political deterioration of Iran will continue. Mossadeq, forced to lean on the Tudeh, may be expected to retain political control but will probably assume a more dictatorial position and indulge in more chicanery to maintain himself.